

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURIAN LIFE INSURANCE
COMPANY,

Plaintiff,

v.

EDWARD REDDECK; DARLENE
CRAIG; FRITZ DERHEIM AND
BETH DERHEIM,

Defendants.

CASE NO. C18-00023 RAJ

ORDER

I. INTRODUCTION

This matter comes before the Court on Plaintiff's Motion to Deposit Funds, Award Fees, Grant an Injunction and Dismiss Securian Life Insurance Company. Dkt. # 14. For the reasons set forth below, the Court **GRANTS in part and DENIES in part** Plaintiff's Motion.

II. BACKGROUND

Plaintiff Securian Life Insurance Company moves that the Court accept for deposit into the registry of the Court, funds by Plaintiff in the amount of \$298,000, plus interest, less \$8,780.79 in fees and costs, pursuant to 28 U.S.C. § 1335.

1 Amy Derheim died on August 18, 2016. Dkt. # 1 at ¶ 2. Amy Derheim was
2 insured under a group term life insurance policy issued by Plaintiff to her employer (the
3 “Policy”). *Id.* at ¶¶ 2, 6. The life insurance policy is governed by the Employee
4 Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.* Patrick
5 Reddeck, Amy Derheim’s domestic partner, was listed as the beneficiary of the Policy
6 upon her death. *Id.* at ¶ 2. Patrick Reddeck died on October 16, 2016. *Id.* Defendants
7 Beth Derheim and Fritz Derheim (the “Derheims”) are Amy Derheim’s parents. *Id.* at ¶
8 2. Defendants Edward Reddeck and Darleen Craig are Patrick Reddeck’s parents. *Id.* at
9 ¶¶ 3, 4.

10 At the time of Patrick Reddeck’s death, there was an open investigation into the
11 circumstances surrounding Amy Derheim’s death. *Id.* at ¶ 10. The death certificate
12 indicates that Amy Derheim drowned in a bath tub while intoxicated with Ketamine and
13 that “circumstances unclear, but homicide cannot be excluded”. *Id.* On or about October
14 12, 2016, police officers visited the home shared by Amy Derheim and Patrick Reddeck
15 as part of their investigation into Amy Derheim’s death. An altercation ensued, during
16 which Patrick Reddeck was killed. *Id.* at ¶ 12.

17 Beth Derheim was listed as the contingent beneficiary of the Policy in the event of
18 Amy Derheim’s death. *Id.* at ¶ 13. The Derheims asserted a claim to the benefits from
19 the Policy pursuant to RCW 11.84.100 because of the circumstances of Amy Derheim’s
20 death. *Id.* at ¶ 13. Edward Reddeck asserted a competing claim to the benefits. Edward
21 asserts that Patrick Reddeck was not responsible for Amy Derheim’s death and that
22 Patrick was entitled to the benefits as the named beneficiary. As Patrick is now deceased,
23 Edward further asserts that he is entitled to the life insurance proceeds because he and
24 Darleen Craig are Patrick Reddeck’s heirs and because he is the successor to Patrick’s
25 personal property pursuant to RCW 11.62.005(2). *Id.* at ¶ 14. On March 21, 2018, the
26 Kent Police Department issued a report that stated that there was probable cause to
27 believe that Patrick Reddeck caused Amy Derheim’s death. Dkt. # 15 Ex. A. This report

1 was provided to Edward Reddeck and discussed with Darleen Craig. *Id.* at ¶¶ 5-8.

2 Neither waived their claim to Amy Derheim’s life insurance benefits. *Id.*

3 Plaintiff filed this action against Defendants on January 8, 2018. Dkt. # 1. On
4 May 4, 2018, Plaintiff filed a motion for default against Edward Reddeck (Dkt. # 11) and
5 this Motion (Dkt. # 14). On May 8, 2018, the Court granted Plaintiff’s motion for
6 default. Dkt. # 16. Edward Reddeck, proceeding *pro se*, filed four documents in
7 response to Plaintiff’s Motion. Dkt. ## 19-22. Plaintiff seeks leave to deposit the Amy
8 Derheim’s life insurance benefits plus interest, deducting fees and costs, into the registry
9 of the Court. Plaintiff further seeks dismissal from the case and an injunction from
10 further proceedings against Plaintiff relating to those benefits. Dkt. # 14.

11 **III. DISCUSSION**

12 Under Federal Rule of Civil Procedure 22, “[p]ersons with claims that may expose
13 a plaintiff to double or multiple liability may be joined as defendants and required to
14 interplead.” Fed. R. Civ. P. 22(a)(1). The Ninth Circuit has held that “[i]nterpleader is
15 proper when a stakeholder has at least a good faith belief that there are conflicting
16 colorable claims.” *Michelman v. Lincoln Nat’l Life Ins. Co.*, 685 F.3d 887, 889 (9th Cir.
17 2012). Once the action has been initiated, the Court may dismiss the stakeholder from
18 the case and enjoin the claimants from separately suing the stakeholder over the same
19 policy benefits. 28 U.S.C. § 2361; *Minnesota Mut. Life Ins. Co. v. Ensley*, 174 F.3d 977,
20 981 (9th Cir. 1999).

21 Plaintiff received two conflicting claims to the proceeds of Amy Derheim’s life
22 insurance policy. The Derheims have asserted a claim due to the circumstances of Amy
23 Derheim’s death, and Edward Reddeck (“Reddeck”) and Darlene Craig have asserted a
24 claim as Patrick Reddeck’s heirs. While Reddeck filed several documents with this
25 Court, none of those documents are responsive to Plaintiff’s Motion. Plaintiff alleges
26 that it cannot determine to whom the benefits should be made without the risk of being
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1 exposed to double liability. The Court finds that Plaintiff has met the requirements for
2 interpleader.

3 Plaintiff also requests that the Court dismiss them from this action. At least one of
4 the documents filed by Reddeck appears to be a counterclaim against Plaintiff and
5 Plaintiff's counsel for conspiracy and fraud. Dkt. # 19. On March 21, 2018, Plaintiff
6 filed an Affidavit of Service of Summons and Complaint on Edward Reddeck. This
7 affidavit indicates that Reddeck was served on March 1, 2018. Dkt. # 9. Two months
8 later, Plaintiff filed a motion for default against Reddeck, which was granted. Dkt. ## 11,
9 16. Reddeck filed this counterclaim on June 25, 2018. Dkt. # 19. Reddeck alleges that
10 he was not properly served and that this court lacks jurisdiction over him. Dkt. # 19 at 9-
11 10. Pursuant to Federal Rule of Civil Procedure 4, an individual may be served by
12 leaving a copy of the summons and of the complaint at the individual's dwelling or usual
13 place of abode with someone of suitable age and discretion who resides there. Fed. R.
14 Civ. P. 4(e)(2)(B). The Affidavit of Service states that copies of the summons and the
15 complaint were left with a woman of "suitable age and discretion who states they reside"
16 at Reddeck's usual place of abode. The woman "tried to refuse service by refusing to
17 take documents." Dkt. # 9. Reddeck alleges that he does not reside at that address,
18 however, Plaintiff represents that he contacted Plaintiff's counsel on March 2, 2018, or
19 one day after the summons and complaint were left at Reddeck's alleged home. Dkt. #
20 12. Reddeck's counterclaim also alleges that he was aware of Plaintiff's motion for
21 default. Dkt. # 19 at 10. Therefore, this Court finds that Reddeck was properly served on
22 March 1, 2018.

23 A defendant must file an answer to a complaint within 21 days after being served
24 with the summons and complaint, or if he has timely waived service, within 60 days after
25 the request for a waiver was sent. Fed. R. Civ. P. 12. Reddeck has not waived service,
26 and filed his counterclaim almost four months after he was served. Whether or not
27 Reddeck believes that this Court has jurisdiction over him, he must file a responsive

1 pleading within that timeframe. Even construing his counterclaim liberally due to his *pro*
2 *se* status, Reddeck's counterclaim is untimely.

3 Plaintiff argues that, once the interpleader is found to be proper, this Court should
4 dismiss Plaintiff from this case, award them fees and costs to be deducted from the
5 proceeds of the life insurance policy at issue, and enjoin Defendants from prosecuting
6 any claims against Plaintiff relating to the policy proceeds. Dkt. # 14 at 7. As noted
7 above, Reddeck's counterclaim is untimely, therefore any claims he brings against
8 Plaintiff in this case are untimely. However, Reddeck makes allegations that could be
9 construed as a claim that Plaintiff acted in bad faith in handling his claim. Should the
10 Court grant Plaintiff's request for an injunction, this would extend the protections of
11 interpleader beyond its permissible limits. A federal court may permit an injunction
12 against claimants to an interpleader action where it is "necessary in aid of its jurisdiction,
13 or to protect or effectuate its judgments." 28 U.S.C. § 2282. Plaintiff argues that
14 Defendants should be required to assert their claims only through this proceeding, but
15 also requests that they be discharged from this suit. This would effectively prevent
16 Reddeck from ever bringing such claims against them. Therefore, Plaintiff's request for
17 an injunction is **DENIED**.

18 As the Court finds that Plaintiff has met the requirements for interpleader,
19 Plaintiff's motion to deposit the applicable funds into the Court registry is **GRANTED**.
20 The Court has reviewed the billing statement from Plaintiff's counsel submitted with this
21 Motion and **GRANTS** Plaintiff's request to deduct such fees and costs from the life
22 insurance proceeds prior to deposit. Dkt. # 15 Ex. B. As Reddeck's counterclaim is
23 untimely and Defendants have not filed any other claims against Plaintiff, the Court
24 **GRANTS** Plaintiff's request to discharge them from this case. Dkt. # 14.

1 The Court **ORDERS:**

- 2 1. The Clerk is directed to accept Plaintiff's cashier check, made payable to the
3 Clerk, in the amount of \$298,000 plus applicable interest incurred through the date
4 of deposit.
- 5 2. Plaintiff shall deduct its fees and costs in the amount of \$8,780.79 from the
6 original deposit amount prior to depositing the sum with the Clerk.
- 7 3. The Clerk is directed to deposit this money into a market rate investment account
8 at a variable interest rate, at the Court's current financial institution.
- 9 4. Plaintiff is dismissed, with prejudice, from this action.
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11 Dated this 31st day of August, 2018.

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15 The Honorable Richard A. Jones
16 United States District Judge
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